## SENATE RESOLUTION

URGING THE DEPARTMENT OF TRANSPORTATION TO DEVELOP A PLAN FOR THE ESTABLISHMENT OF A PORTS AUTHORITY FOR AIRPORTS AND HARBORS.

WHEREAS, Hawaii is an island state that depends heavily upon its harbors and airports for the movement of cargo and persons between islands and to and from the rest of the world; and

WHEREAS, with tourism as one of the prime industries of the State, Hawaii's economic sustainability depends on the effectiveness and efficiency of its airport system; and

WHEREAS, the Department of Transportation is responsible for the planning, design, construction, operation, and maintenance of state facilities in all modes of transportation, including air, water, and land; and

WHEREAS, the economic well-being of the State depends, in part, on the efficient use of its airports and harbors, which will enhance and complement efforts to revitalize Hawaii's economy, and coordinated planning and development of air and sea transportation; and

WHEREAS, the establishment of a Hawaii Ports Authority having jurisdiction over airports and harbors in this State will augment the State's efforts in achieving important statewide objectives, including increased security for the State; improved administrative efficiency of Hawaii's airports and harbors systems; and improved coordination of environmental issues affecting the State's airports and harbors, particularly relating to alien invasive species; and

WHEREAS, the Department of Transportation, Airports Division, currently provides, operates, and maintains eleven commercial-service airports and four general-aviation airports,

with four of the five major airports serving domestic and international carriers; and

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WHEREAS, airport improvements are funded from the passenger facility charge special fund, established under section 261-5.5, Hawaii Revised Statutes (HRS), and harbor improvements are funded from the harbor special fund, established under section 266-19, HRS; and

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WHEREAS, all airport revenues from landing fees, terminal rentals, or airport concessions go into the airport revenue fund from which all airport construction projects and operations and maintenance are funded; and

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WHEREAS, the Department of Transportation, Harbors Division, currently provides, operates, and maintains ten commercial harbors located at Honolulu and Kalaeloa Barbers Point on Oahu; Hilo and Kawaihae on Hawaii Island; Kahului, Hana, Kaunakakai, and Kaumalapau in Maui County; and Nawiliwili and Port Allen on Kauai; and

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WHEREAS, all harbor revenues from rates, fees, fines, and administrative penalties go into the harbors special fund, which is used for the costs of operation, maintenance, and repair of the statewide system of harbors, and other related things such as construction, additions, expansions, and improvements; and

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WHEREAS, according to a 2010 fact sheet of the Ohio State University, "Port authorities can be useful economic development tools for local governments . . . They are usually selfsustaining and often operate railroads, airports, or shipping terminals. Local governments frequently establish port authorities to promote or support economic development"; and

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WHEREAS, powers of a port authority typically include the ability to:

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Acquire real and personal property; (1)

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(2) Own, lease, sell, and construct improvements to real property;

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- (3) Issue revenue bonds for port authority facilities;
- (4)Issue general obligation bonds for port authority facilities and other permanent improvements;
- (5) Receive federal and state grants and loans and other public funds; and
- (6) Operate transportation, recreation, governmental, or cultural facilities, and set rates and charges for use of port authority facilities; and

WHEREAS, the current time required for approval and implementation of projects at airports and harbors is excessive due to stringent and lengthy appropriation, allotment, and procurement processes; and

WHEREAS, if granted an exemption by the Legislature, a port authority could seek an exemption from procurement laws under section 103D-102(c), HRS, which would streamline and expedite its operations immensely; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-eighth Legislature of the State of Hawaii, Regular Session of 2015, that the Department of Transportation is urged to develop a plan for the establishment of a port authority that has jurisdiction over the management, construction, operations, and finances of the State's airports and harbors; and

Be IT FURTHER RESOLVED that the Department of Transportation report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016 on a plan to establish a port authority, including any proposed legislation; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution be transmitted to the Director of the Department of